

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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|-------------------------------------|---|-----------------|
| APPLICATION OF LOUISVILLE GAS AND |) | |
| ELECTRIC COMPANY FOR PERMISSION TO |) | |
| DEVIATE FROM THE REQUIREMENTS OF |) | CASE NO. 91-426 |
| 807 KAR 5:022, SECTION 8(5)(a) 1, 2 |) | |
| AND 3 OF THE COMMISSION'S RULES |) | |

O R D E R

Louisville Gas and Electric Company ("LG&E") has applied for deviation from Commission Regulation 807 KAR 5:022, Section 8(5)(a). LG&E requests permission to extend the periodic testing of certain gas meters beyond the period currently required by Commission regulations and contends that its proposed testing schedule will save an estimated \$314,000 annually.

LG&E proposes to implement the following testing schedule: Positive-displacement meters, with a rated capacity up to and including 500 cubic feet per hour, will be tested at least once every 15 years. Positive-displacement meters, with a rated capacity above 500 cubic feet per hour, up to and including 1,500 cubic feet per hour, will be tested at least once every 7 years. Positive-displacement meters above 1,500 cubic feet per hour will be tested at least once every 2 years.¹ Commission Regulation 807

¹ LG&E has excluded from its request the following residential meter types: Superior 175, Rockwell R175-S, American 5B Met with leather diaphragms, and Rockwell 250 Emco purchased before 12/31/59.

KAR 5:022, Section 8(5), requires such meters to be tested on a 10-, 5-, and 1-year cycle, respectively.

LG&E contends that the proposed testing schedule will allow its meter testing operations to be streamlined. The proposed testing schedule would allow for reductions to LG&E's Staff, its parts inventory, and its transportation costs. Total savings is estimated to be at least \$314,000 annually.

LG&E has failed to demonstrate that its meters will maintain an adequate level of accuracy should periodic testing requirements be relaxed. The 10-year meter test results indicate that a significant number of LG&E meters are failing to maintain prescribed accuracy levels. Overall, only 93.98 percent of these meters continued to register within allowed tolerance levels when tested. Only 93.44 percent of meters with a rated capacity of 500 cubic feet per hour to 1,500 cubic feet remained within allowed tolerance levels after 10 years of use. Meters with a rate of capacity over 1,500 cubic feet per hour fared only slightly better - approximately 95.64 percent of them met accuracy standards when tested after a year of use. LG&E has not provided any empirical evidence to suggest that the meters' accuracy will not further deteriorate over longer periods.

The Commission is also concerned that the proposed testing schedule may diminish the safety of gas customers. Commission Regulation 807 KAR 5:022, Section 9(17)(a)(3), requires gas utilities to test all piping downstream from a meter for gas leaks each time the gas is turned on by the utility. Usually, such testing will occur when a meter is changed out for testing. If the

testing period for meters is extended, the testing of downstream piping will be extended in the same proportion. LG&E contends that existing procedures compensate for this factor. It states that its meter readers currently inspect the meter and associated piping visually and report any odor of gas for further investigation and that leak surveys are conducted on one-third of its meters annually. Safety inspections on customer service lines through approximately 32,000 safety turn-ons are also conducted each year. The Commission is not convinced, however, that these efforts will suffice.

Having reviewed the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. The proposed testing schedule will save an estimated \$314,000 annually.

2. LG&E has failed to demonstrate that, if the proposed meter testing schedule is implemented, the meter accuracy will not deteriorate.

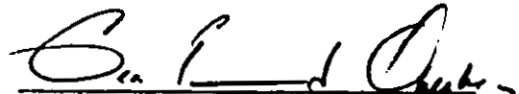
3. The proposed testing schedule will reduce the opportunity to test piping downstream from a meter for gas leaks and will increase the possibility of gas safety problems. LG&E's current safety efforts will not compensate for this increased risk.

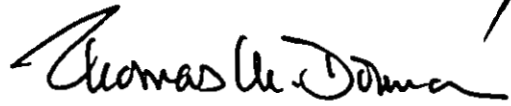
4. LG&E has failed to demonstrate that sufficient cause exists to grant the requested deviation.

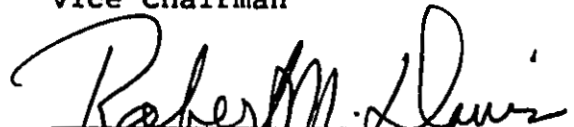
IT IS THEREFORE ORDERED that LG&E's proposed deviation from Commission Regulation 807 KAR 5:022, Section 8(5)(a)(1),(2), and (3) is denied.

Done at Frankfort, Kentucky, this 14th day of April, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director , Acting